

Introduction to a Contribution to the Critique of Political Economy

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I. PRODUCTION, CONSUMPTION, DISTRIBUTION, EXCHANGE (CIRCULATION)

1. PRODUCTION

(a) To begin with, the question under discussion is *material production*.

Individuals producing in a society, and hence the socially determined production of individuals, is of course the point of departure. The solitary and isolated hunter or fisherman, who serves Adam Smith and Ricardo as a starting point, is one of the unimaginative fantasies of eighteenth-century romances à la Robinson Crusoe; and despite the assertions of social historians, these by no means signify simply a reaction against over-refinement and reversion to a misconceived natural life. No more is Rousseau's *contrat social*, which by means of a contract establishes a relationship and connection between subjects that are by nature independent, based on this kind of naturalism. This is an illusion and nothing but the aesthetic illusion of the small and big Robinsonades. It is, on the contrary, the anticipation of "bourgeois society", which began to evolve in the sixteenth century and in the eighteenth century made giant strides towards maturity. The individual in this society of free competition seems to be rid of natural ties, etc., which made him an appurtenance of a particular, limited aggregation of human beings in previous historical epochs. The prophets of the eighteenth century, on whose shoulders Adam Smith and Ricardo were still wholly standing, envisaged this 18th-century individual -- a product of the dissolution of feudal society on the one hand and of the new productive forces evolved since the sixteenth century on the other -- as an ideal whose existence belonged to the past. They saw this individual not as an historical result, but as the starting point of history; not as something evolving in the course of history, but posited by nature, because for them this individual was in conformity with nature, in keeping with their idea of human nature. This delusion has been characteristic of every new epoch hitherto. Steuart, who in some respect was in opposition to the eighteenth century and as an aristocrat tended rather to regard things from an historical standpoint, avoided this naive view.

The further back we trace the course of history, the more does the individual, and accordingly also the producing individual, appear to be dependent and to belong to a larger whole. At first, the individual in a still quite natural manner is part of the family and of the tribe which evolves from the family; later he is part of a community, of one of the different forms of the community which arise from the conflict and the merging of tribes. It is not until the eighteenth century that in bourgeois society the various forms of the social texture confront the individual as merely means towards his private ends, as external necessity. But the epoch which produces this standpoint, namely that of the solitary individual, is precisely the epoch of the (as yet) most highly developed social (according to this standpoint, general) relations. Man is a *Zoon politikon* [political animal] in the most literal sense: he is not only a social animal, but an animal that can be individualised only within society. Production by a solitary individual outside society -- a rare event, which might occur when a civilised person who has already absorbed the dynamic social forces is accidentally cast into the wilderness -- is just as preposterous as the development of speech without individuals who live *together* and talk to one another. It is unnecessary to dwell upon this point further. It need not have been mentioned at all, if this inanity, which had rhyme and reason in the works of eighteenth-century writers, were not expressly introduced once more into modern political economy by Bastiat, Carey, Proudhon, etc. It is of course very pleasant for Proudhon, for instance, to be able to explain the origin of an economic relationship -- whose historical evolution he does not know -- in an historico-philosophical manner by means of mythology; alleging that Adam or Prometheus hit upon the ready-made idea, which was then put into practice, etc. Nothing is more tedious and dull than the fantasies of *locus communis*.

Thus when we speak of production, we always have in mind production at a definite stage of social development, production by individuals in a society. It might therefore seem that, in order to speak of production at all, we must either trace the various phases in the historical process of development, or else declare from the very beginning that we are examining *one* particular historical period, as for instance modern bourgeois production, which is indeed our real subject-matter. All periods of production, however, have certain features in common: they have certain common categories. *Production in general* is an abstraction, but a sensible abstraction in so far as it actually emphasises and defines the common aspects and thus avoids repetition. Yet this *general* concept, or the common aspect which has been brought to light by comparison, is itself a multifarious compound comprising divergent categories. Some elements are found in all epochs, others are common to a few epochs. The most modern period and the most ancient period will have (certain) categories in common. Production without them is inconceivable. But although the most highly developed languages have laws and categories in common with the most primitive languages, it is precisely their divergence from these

general and common features which constitutes their development. It is necessary to distinguish those definitions which apply to production in general, in order not to overlook the essential differences existing despite the unity that follows from the very fact that the subject, mankind, and the object, nature, are the same. For instance, on failure to perceive this fact depends the entire wisdom of modern economists who prove the eternity and harmony of existing social relations. For example, no production is possible without an instrument of production, even if this instrument is simply the hand. It is not possible without past, accumulated labour, even if this labour is only the skill acquired by repeated practice and concentrated in the hand of a savage. Capital is among other things also an instrument of production, and also past, materialised labour. Consequently capital is a universal and eternal relation given by nature that is, provided one omits precisely those specific factors which turn the "instrument of production" or "accumulated labour" into capital. The whole history of the relations of production thus appears, for instance in Carey's writings, as a falsification malevolently brought about by the government.

Just as there is no production in general, so also there is no general production. Production is always a *particular* branch of production -- e.g., agriculture, cattle-breeding, manufacture -- or it is the *totality* of production. Political economy, however, is not technology. The relation of the general categories of production at a given social stage to the particular forms of production is to be set forth elsewhere (later).

Finally, not only is production particular production, but it is invariably only a definite social corpus, a social subject, that is engaged in a wider or narrower totality of productive spheres. The relation of the academic presentation to the actual process does not belong here either. Production in general. Particular branches of production. Totality of Production.

It is fashionable to preface economic works with a general part -- and it is just this which appears under the heading "Production", see for instance John Stuart Mill -- which deals with the *general conditions* of all production. This general part comprises or purports to comprise:

1. The conditions without which production cannot be carried on. This means in fact only that the essential factors required for any kind of production are indicated. But this amounts actually, as we shall see, to a few very simple definitions, which are further expanded into trivial tautologies.
2. The conditions which promote production to a larger or smaller degree, as in the case of Adam Smith's progressive and stagnant state of society. To give this, which in Smith's work has its value as an *aperçu*, to give it scientific significance, research into the *degree of productivity* at various periods in the development of individual

nations would have to be conducted; strictly speaking, such an investigation lies outside the framework of the subject, those aspects which are however relevant to it ought to be mentioned in connection with the development of competition, accumulation, etc. The answer in its general form amounts to the general statement that an industrial nation achieves its highest productivity when it is altogether at the height of its historical development. (In fact, a nation is at the height of its industrial development so long as, not the gain, but gaining remains its principal aim. In this respect the Yankees are superior to the English.) Or else that for example certain races, formations, climates, natural circumstances, such as maritime position, fertility of the soil, etc., are more conducive to production than others. This again amounts to the tautological statement that the production of wealth grows easier in the measure that its subjective and objective elements become available.

But all this is not really what the economists are concerned about in the general part. It is rather -- see for example Mill -- that production, as distinct from distribution, etc., is to be presented as governed by eternal natural laws which are independent of history, and at the same time bourgeois relations are clandestinely passed off as irrefutable natural laws of society *in abstracto*. This is the more or less conscious purpose of the whole procedure. As regards distribution, however, it is said that men have indeed indulged in a certain amount of free choice. Quite apart from the crude separation of production and distribution and their real interconnection, it should be obvious from the outset that, however dissimilar the mode of distribution at the various stages of society may be, it must be possible, just as in the case of production, to emphasise the common aspects, and it must be likewise possible to confuse and efface all historical differences in laws that are *common to all mankind*. For example, the slave, the serf, the wage-worker, they all receive an amount of food enabling them to exist as a slave, serf or wage-worker. The conqueror who lives on tribute, or the official who lives on taxes, or the landowner who lives on rent, or the monk who lives on alms, or the clergyman who lives on tithes, all receive a portion of the social product which is determined by laws different from those that determine the portion of the slave, and so on. The two principal factors which all economists include in this section are: 1) property and 2) its protection by the judiciary, police, etc. Only a very brief reply is needed:

Regarding 1: production is always appropriation of nature by an individual within and with the help of a definite social organisation. In this context it is tautological to say that property (appropriation) is a condition of production. But it is quite ridiculous to make a leap from this to a distinct form of property, e.g., private property (this is moreover an antithetical form, which similarly presupposes *nonproperty* as a condition). History has shown, on the contrary, that common property (e.g., among the Indians, Slavs, ancient Celts, etc.) is the original form, and in the shape of communal property it plays a significant role for a long time. The

question whether wealth develops faster under this or under that form of property is not yet under discussion at this point. It is tautological however to state that where no form of property exists there can be no production and hence no society either. Appropriation which appropriates nothing is a contradiction in terms.

Regarding 2: safeguarding of what has been acquired, etc. If these trivialities are reduced to their real content, they say more than their authors realise, namely that each mode of production produces its specific legal relations, political forms, etc. It is a sign of crudity and lack of comprehension that organically coherent factors are brought into haphazard relation with one another, i.e., into a simple reflex connection. The bourgeois economists have merely in view that production proceeds more smoothly with modern police than, e.g., under club-law. They forget, however, that club-law too is law, and that the law of the stronger, only in a different form, still survives even in their "constitutional State".

While the social conditions appropriate to a particular stage of production are either still in the course of evolution or already in a state of dissolution, disturbances naturally occur in the process of production, although these may be of varying degree and extent.

To recapitulate: there are categories which are common to all stages of production and are established by reasoning as general categories; the so-called *general conditions* of all and any production, however, are nothing but abstract conceptions which do not define any of the actual historical stages of production.

2. THE GENERAL RELATIONS OF PRODUCTION OF DISTRIBUTION, EXCHANGE AND CONSUMPTION

Before starting upon a further analysis of production it is necessary to consider the various sections which economists place alongside it.

The quite obvious conception is this: -- In the process of production members of society appropriate (produce, fashion) natural products in accordance with human requirements; distribution determines the share the individual receives of these products; exchange supplies him with the particular products into which he wants to convert the portion accorded to him as a result of distribution; finally, in consumption the products become objects of use, i.e. they are appropriated by individuals. Production creates articles corresponding to requirements; distribution allocates them according to social laws; exchange in its turn distributes the goods, which have already been allocated, in conformity with individual needs; finally, in consumption the product leaves this social movement, it becomes the direct object and servant of an individual need, which its use satisfies. Production thus appears as the point of departure, consumption as the goal, distribution and exchange as the middle, which has a dual form since, according to the definition, distribution is

actuated by society and exchange is actuated by individuals. In production persons acquire an objective aspect, and in consumption' objects acquire a subjective aspect; in distribution it is society which by means of dominant general rules mediates between production and consumption; in exchange this mediation occurs as a result of random decisions of individuals.

Distribution determines the proportion (the quantity) of the products accruing to the individual, exchange determines the products in which the individual claims to make up the share assigned to him by distribution.

Production, distribution, exchange and consumption thus form a proper syllogism; production represents the general, distribution and exchange the particular, and consumption the individual case which sums up the whole. This is indeed a sequence, but a very superficial one. Production is determined by general laws of nature; distribution by random social factors, it may therefore exert a more or less beneficial influence on production; exchange, a formal social movement, lies between these two; and consumption, as the concluding act, which is regarded not only as the final aim but as the ultimate purpose, falls properly outside the sphere of economy, except in so far as it in turn exerts a reciprocal action on the point of departure thus once again initiating the whole process.

The opponents of the economists who accuse the latter of crudely separating interconnected elements, either argue from the same standpoint or even from a lower one, no matter whether these opponents come from within or without the domain of political economy. Nothing is more common than the reproach that the economists regard production too much as a goal in itself, and that distribution is equally important. This argument is based on the concept of the economists that distribution is a separate and independent sphere alongside production. Another argument is that the different factors are not considered as a single whole; as though this separation had forced its way from the textbook into real life and not, on the contrary, from real life into the textbooks, and as though it were a question of the dialectical reconciliation of concepts and not of the resolution of actually existing conditions.

a. [Production and Consumption]

Production is simultaneously consumption as well. It is consumption in a dual form - - subjective and objective consumption. [Firstly] the individual, who develops his abilities producing expends them as well, using them up in the act of production, just as in natural procreation vital energy is consumed. Secondly, it is consumption of the means of production, which are used and used up and in part (as for instance fuel) are broken down into simpler components. It similarly involves consumption of raw material which is absorbed and does not retain its original shape and quality. The act of production itself is thus in all its phases also an act of consumption. The

economists concede this. They call productive consumption both production that is simultaneously identical with consumption, and consumption which is directly concurrent with production. The identity of production and consumption amounts to Spinoza's proposition: *Determinatio est negatio*.

But this definition of productive consumption is only advanced in order to separate consumption that is identical with production from consumption in the proper sense, which is regarded by contrast as the destructive antithesis of production. Let us therefore consider consumption proper.

Consumption is simultaneously also production, just as in nature the production of a plant involves the consumption of elemental forces and chemical materials. It is obvious that man produces his own body, e.g., through feeding, one form of consumption. But the same applies to any other kind of consumption which in one way or another contributes to the production of some aspect of man. Hence this is consumptive production. Nevertheless, says political economy, this type of production that is identical with consumption is a second phase arising from the destruction of the first product. In the first type of production the producer assumes an objective aspect, in the second type the objects created by him assume a personal aspect. Hence this consuming production -- although it represents a direct unity of production and consumption -- is essentially different from production proper. The direct unity, in which production is concurrent with consumption and consumption with production, does not affect their simultaneous duality.

Production is thus at the same time consumption, and consumption is at the same time production. Each is simultaneously its opposite. But an intermediary movement takes place between the two at the same time. Production leads to consumption, for which it provides the material; consumption without production would have no object. But consumption also leads to production by providing for its products the subject for whom they are products. The product only attains its final consummation in consumption. A railway on which no one travels, which is therefore not used up, not consumed, is potentially but not actually a railway. Without production there is no consumption, but without consumption there is no production either, since in that case production would be useless. Consumption produces production in two ways.

1. Because a product becomes a real product only through consumption. For example, a dress becomes really a dress only by being worn, a house which is uninhabited is indeed not really a house; in other words a product as distinct from a simple natural object manifests itself as a product, becomes a product, only in consumption. It is only consumption which, by destroying the product, gives it the finishing touch, for the product is a product, not because it is materialised activity, but only in so far as it is an object for the active subject.

2. Because consumption creates the need for new production, and therefore provides the conceptual, intrinsically actuating reason for production, which is the pre-condition for production. Consumption furnishes the impulse to produce, and also provides the object which acts as the determining purpose of production. If it is evident that externally production supplies the object of consumption, it is equally evident that consumption *posits* the object of production as a *concept*, an internal image, a need, a motive, a purpose. Consumption furnishes the object of production in a form that is still subjective.

There is no production without a need, but consumption re-creates the need.

This is matched on the side of production,

1. By the fact that production supplies the material, the object of consumption. Consumption without an object is no consumption, in this respect, therefore, production creates, produces consumption.

2. But production provides not only the object of consumption, it also gives consumption a distinct form, a character, a finish. Just as consumption puts the finishing touch on the product as a product, so production puts the finishing touch to consumption. *For one thing*, the object is not simply an object in general, but a particular object which must be consumed in a particular way, a way determined by production. Hunger is hunger; but the hunger that is satisfied by cooked meat eaten with knife and fork differs from hunger that devours raw meat with the help of bands, nails and teeth. Production thus produces not only the object of consumption but also the mode of consumption, not only objectively but also subjectively. Production therefore creates the consumer.

3. Production not only provides the material to satisfy a need, but it also provides the need for the material. When consumption emerges from its original primitive crudeness and immediacy -- and its remaining in that state would be due to the fact that production was still primitively crude -- then it is itself as a desire brought about by the object. The need felt for the object is induced by the perception of the object. An *objet d'art* creates a public that has artistic taste and is able to enjoy beauty -- and the same can be said of any other product. Production accordingly produces not only an object for the subject, but also a subject for the object.

Hence production produces consumption: 1) by providing the material of consumption; 2) by determining the mode of consumption; 3) by creating in the consumer a need for the objects which it first presents as products. It therefore produces the object of consumption, the mode of consumption and the urge to consume. Similarly, consumption produces the *predisposition* of the producer by positing him as a purposive requirement.

The identity of consumption and production has three aspects

1. *Direct identity*: Production is consumption and consumption is production. Consumptive production and productive consumption. Economists call both productive consumption, but they still make a distinction. The former figures in their work as reproduction, the latter as productive consumption. All investigations of the former are concerned with productive and unproductive labour, those of the latter with productive and non-productive consumption.

2. Each appears as a means of the other, as being induced by it; this is called their mutual dependence; they are thus brought into mutual relation and appear to be indispensable to each other, but nevertheless remain extrinsic to each other. Production provides the material which is the external object of consumption, consumption provides the need, i.e., the internal object, the purpose of production. There is no consumption without production, and no production without consumption. This proposition appears in various forms in political economy.

3. Production is not only simultaneously consumption, and consumption simultaneously production; nor is production only a means of consumption and consumption the purpose of production -- i.e., each provides the other with its object, production supplying the external object of consumption, and consumption the conceptual object of production--in other words, each of them is not only simultaneously the other, and not merely the cause of the other, but each of them by being carried through creates the other, it creates itself as the other. It is only consumption that consummates the process of production, since consumption completes the product as a product by destroying it, by consuming its independent concrete form. Moreover by its need for repetition consumption leads to the perfection of abilities evolved during the first process of production and converts them into skills. Consumption is therefore the concluding act which turns not only the product into a product, but also the producer into a producer. Production, on the other hand, produces consumption by creating a definite mode of consumption, and by providing an incentive to consumption it thereby creates the capability to consume as a requirement.

The last kind of identity, which is defined in point 3, has been variously interpreted by economists when discussing the relation of demand and supply, of objects and needs, of needs created by society and natural needs.

After this, nothing is simpler for a Hegelian than to assume that production and consumption are identical. And this has been done not only by socialist *belletrists* but also by prosaic economists, such as Say, in declaring that if one considers a nation -- or mankind *in abstracto* -- then its production is its consumption. Storch has shown that this proposition of Say's is wrong, since a nation, for instance, does

not consume its entire product, but must also provide means of production, fixed capital, etc. It is moreover wrong to consider society as a single subject, for this is a speculative approach. With regard to one subject, production and consumption appear as phases of a single operation. Only the most essential point is emphasised here, that production and consumption, if considered as activities of one subject or of single individuals, appear in any case as phases of one process whose actual point of departure is production which is accordingly the decisive factor.

Consumption, as a necessity and as a need, is itself an intrinsic aspect of productive activity; the latter however is the point where the realisation begins and thus also the decisive phase, the action epitomising the entire process. An individual produces an object and by consuming it returns again to the point of departure: he returns however as a productive individual and an individual who reproduces himself. Consumption is thus a phase of production.

But in society, the relation of the producer to the product after its completion is extrinsic, and the return of the product to the subject depends on his relations to other individuals. The product does not immediately come into his possession. Its immediate appropriation, moreover, is not his aim, if he produces within society. *Distribution*, which on the basis of social laws determines the individual's share in the world of products, intervenes between the producer and the products, i.e., between production and consumption.

Is distribution, therefore, an independent sector alongside and outside production?

b. [Production and Distribution]

When looking through the ordinary run of economic works, one's attention is attracted forthwith by the fact that everything is mentioned twice, e.g., rent, wages, interest and profit figure under the heading distribution, while under the heading of production land, labour and capital appear as factors of production. As to capital, it is evident from the outset that this is counted twice, first as a factor of production, and secondly as a source of income; i.e., as a determining and determinate form of distribution. Interest and profit appear therefore in production as well, since they are forms in which capital increases and grows, and are thus phases of its production. As forms of distribution, interest and profit presuppose capital as a factor of production. They are forms of distribution whose pre-condition is the existence of capital as a factor of production. They are likewise modes of reproduction of capital.

Wages represent also wage-labour, which is examined in a different section; the particular function that labour performs as a factor of production in the one case appears as a function of distribution in the other. If labour did not have the distinct form of wage-labour, then its share in the product would not appear as wages, as for instance in slavery. Finally rent -- if we take the most advanced form of

distribution by which landed property obtains a share in the product-presupposes large-scale landed property (strictly speaking, large-scale agriculture) as a factor of production, and not land in general; just as wages do not presuppose labour in general. The relations and modes of distribution are thus merely the reverse aspect of the factors of production. An individual whose participation in production takes the form of wage-labour will receive a share in the product, the result of production, in the form of wages. The structure of distribution is entirely determined by the structure of production. Distribution itself is a product of production, not only with regard to the content, for only the results of production can be distributed, but also with regard to the form, since the particular mode of men's participation in production determines the specific form of distribution, the form, in which they share in distribution. It is altogether an illusion to speak of land in the section on production, and of rent in the section on distribution, etc.

Economists like Ricardo who are mainly accused of having paid exclusive attention to production, have accordingly regarded distribution as the exclusive subject of political economy, for they have instinctively treated the forms of distribution as the most precise expression in which factors of production manifest themselves in a given society.

To the single individual distribution naturally appears as a social law, which determines his position within the framework of production, within which he produces; distribution thus being antecedent to production. An individual who has neither capital nor landed property of his own is dependent on wage-labour from his birth as a consequence of social distribution. But this dependence is itself the result of the existence of capital and landed property as independent factors of production.

When one considers whole societies, still another aspect of distribution appears to be antecedent to production and to determine it, as though it were an ante-economic factor. A conquering nation may divide the land among the conquerors and in this way imposes a distinct mode of distribution and form of landed property, thus determining production. Or it may turn the population into slaves, thus making slave-labour the basis of production. Or in the course of a revolution, a nation may divide large estates into plots, thus altering the character of production in consequence of the new distribution. Or legislation may perpetuate land ownership in certain families, or allocate labour as a hereditary privilege, thus consolidating it into a caste system. In all these cases, and they have all occurred in history, it seems that distribution is not regulated and determined by production but, on the contrary, production by distribution.

Distribution according to the most superficial interpretation is distribution of products; it is thus removed further from production and made quasi-independent of it. But before distribution becomes distribution of products, it is (1) distribution

of the means of production, and (2) (which is another aspect of the same situation) distribution of the members of society among the various types of production (the subsuming of the individuals under definite relations Of production). It is evident that the distribution of products is merely a result of this distribution, which is comprised in the production process and determines the structure of production. To examine production divorced from this distribution which is a constituent part of it, is obviously idle abstraction; whereas conversely the distribution of products is automatically determined by that distribution which is initially a factor of production. Ricardo, the economist of production *par excellence*, whose object was the understanding of the distinct social structure of modern production, for this very reason declares that distribution, not production, is the proper subject of contemporary political economy. This is a witness to the banality of those economists who proclaim production as an eternal truth, and confine history to the domain of distribution.

The question as to the relation between that form of distribution that determines production and production itself, belongs obviously to the sphere of production. If it should be said that in this case at least, since production must proceed from a specific distribution of the means of production, distribution is to this extent antecedent to and a prerequisite of production, then the reply would be as follows. Production has indeed its conditions and prerequisites which are constituent elements of it. At the very outset these may have seemed to be naturally evolved. In the course of production, however, they are transformed from naturally evolved factors into historical ones, and although they may appear as natural pre-conditions for any one period, they are the historical result of another period. They are continuously changed by the process of production itself. For example, the employment of machinery led to changes in the distribution of both the means of production and the product. Modern large-scale landed property has been brought about not only by modern trade and modern industry, but also by the application of the latter to agriculture.

The above-mentioned questions can be ultimately resolved into this: what role do general historical conditions play in production and how is production related to the historical development as a whole? This question clearly belongs to the analysis and discussion of production.

In the trivial form, however, in which these questions have been raised above, they can be dealt with quite briefly. Conquests may lead to either of three results. The conquering nation may impose its own mode of production upon the conquered people (this was done, for example, by the English in Ireland during this century, and to some extent in India); or it may refrain from interfering in the old mode of production and be content with tribute (e.g., the Turks and Romans); or interaction may take place between the two, giving rise to a new system as a synthesis (this

occurred partly in the Germanic conquests). In any case it is the mode of production -- whether that of the conquering nation or of the conquered or the new system brought about by a merging of the two -- that determines the new mode of distribution employed. Although the latter appears to be a pre-condition of the new period of production, it is in its turn a result of production, a result not simply occasioned by the historical evolution of production in general, but by a specific historical form of production.

The Mongols, for example, who caused devastation in Russia, acted in accordance with their mode of production, cattle-breeding, for which large uninhabited tracts are a fundamental requirement. The Germanic barbarians, whose traditional mode of production was agriculture with the aid of serfs and who lived scattered over the countryside, could the more easily adapt the Roman provinces to their requirements because the concentration of landed property carried out there had already uprooted the older agricultural relations.

It is a long-established view that over certain epochs people lived by plunder. But in order to be able to plunder, there must be something to be plundered, and this implies production. Moreover, the manner of plunder depends itself on the manner of production, e.g., a stock-jobbing nation cannot be robbed in the same way as a nation of cowherds.

The means of production may be robbed directly in the form of slaves. But in that case it is necessary that the structure of production in the country to which the slave is abducted admits of slave-labour, or (as in South America, etc.) a mode of production appropriate to slave-labour has to be evolved.

Laws may perpetuate a particular means of production, e.g., land, in certain families. These laws acquire economic significance only if large-scale landed property is in keeping with the social mode of production, as for instance in Britain. Agriculture was carried on in France on a small scale, despite the existence of large estates, which were therefore parcelled out by the Revolution. But is it possible, e.g., by law, to perpetuate the division of land into small lots? Landed property tends to become concentrated again despite these laws. The influence exercised by laws on the preservation of existing conditions of distribution, and the effect they thereby exert on production has to be examined separately.

c. Lastly, Exchange and Circulation

Circulation is merely a particular phase of exchange or of exchange regarded in its totality.

Since *Exchange* is simply an intermediate phase between production and distribution, which is determined by production, and consumption; since

consumption is moreover itself an aspect of production, the latter obviously comprises also exchange as one of its aspects.

Firstly, it is evident that exchange of activities and skills, which takes place in production itself, is a direct and essential part of production. Secondly, the same applies to the exchange of products in so far as this exchange is a means to manufacture the finished product intended for immediate consumption. The action of exchange in this respect is comprised in the concept of production. Thirdly, what is known as exchange between dealer and dealer, both with respect to its organisation and as a productive activity, is entirely determined by production. Exchange appears to exist independently alongside production and detached from it only in the last stage, when the product is exchanged for immediate consumption. But (1) no exchange is possible without division of labour, whether this is naturally evolved or is already the result of an historical process; (2) private exchange presupposes private production; (3) the intensity of exchange, its extent and nature, are determined by the development and structure of production: e.g., exchange between town and country, exchange in the countryside, in the town, etc. All aspects of exchange to this extent appear either to be directly comprised in production, or else determined by it.

The conclusion which follows from this is, not that production, distribution, exchange and consumption are identical, but that they are links of a single whole, different aspects of one unit. Production is the decisive phase, both with regard to the contradictory aspects of production and with regard to the other phases. The process always starts afresh with production. That exchange and consumption cannot be the decisive elements, is obvious; and the same applies to distribution in the sense of distribution of products. Distribution of the factors of production, on the other hand, is itself a phase of production. A distinct mode of production thus determines the specific mode of consumption, distribution, exchange and the *specific relations of these different phases to one another*. Production in *the narrow sense*, however, is in its turn also determined by the other aspects. For example, if the market, or the sphere of exchange, expands, then the volume of production grows and tends to become more differentiated. Production also changes in consequence of changes in distribution, e.g., concentration of capital, different distribution of the population in town and countryside, and the like. Production is, finally, determined by the demands of consumption. There is an interaction between the various aspects. Such interaction takes place in any organic entity.

3. THE METHOD OF POLITICAL ECONOMY

When examining a given country from the standpoint of political economy, we begin with its population, the division of the population into classes, town and

country, the sea, the different branches of production, export and import, annual production and consumption, prices, etc.

It would seem to be the proper thing to start with the real and concrete elements, with the actual preconditions, e.g., to start in the sphere of economy with population, which forms the basis and the subject of the whole social process of production. Closer consideration shows, however, that this is wrong. Population is an abstraction if, for instance, one disregards the classes of which it is composed. These classes in turn remain empty terms if one does not know the factors on which they depend, e.g., wage-labour, capital, and so on. These presuppose exchange, division of labour, prices, etc. For example, capital is nothing without wage-labour, without value, money, price, etc. If one were to take population as the point of departure, it would be a very vague notion of a complex whole and through closer definition one would arrive analytically at increasingly simple concepts; from imaginary concrete terms one would move to more and more tenuous abstractions until one reached the most simple definitions. From there it would be necessary to make the journey again in the opposite direction until one arrived once more at the concept of population, which is this time not a vague notion of a whole, but a totality comprising many determinations and relations. The first course is the historical one taken by political economy at its inception. The seventeenth-century economists, for example, always took as their starting point the living organism, the population, the nation, the State, several States, etc., but analysis led them always in the end to the discovery of a few decisive abstract, general relations, such as division of labour, money, and value. When these separate factors were more or less clearly deduced and established, economic systems were evolved which from simple concepts, such as labour, division of labour, demand, exchange-value, advanced to categories like State, international exchange and world market. The latter is obviously the correct scientific method. The concrete concept is concrete because it is a synthesis of many definitions, thus representing the unity of diverse aspects. It appears therefore in reasoning as a summing-up, a result, and not as the starting point, although it is the real point of origin, and thus also the point of origin of perception and imagination. The first procedure attenuates meaningful images to abstract definitions, the second leads from abstract definitions by way of reasoning to the reproduction of the concrete situation. Hegel accordingly conceived the illusory idea that the real world is the result of thinking which causes its own synthesis, its own deepening and its own movement; whereas the method of advancing from the abstract to the concrete is simply the way in which thinking assimilates the concrete and reproduces it as a concrete mental category. This is, however, by no means the process of evolution of the concrete world itself. For example, the simplest economic category, e.g., exchange-value, presupposes population, a population moreover which produces under definite conditions, as well as a distinct kind of family, or community, or State, etc. Exchange-value cannot

exist except as an abstract, unilateral relation of an already existing concrete organic whole. But exchange-value as a category leads an antediluvian existence. Thus to consciousness--and this comprises philosophical consciousness -- which regards the comprehending mind as the real man, and hence the comprehended world as such as the only real world; to consciousness, therefore, the evolution of categories appears as the actual process of production -- which unfortunately is given an impulse from outside -- whose result is the world; and this (which is however again a tautological expression) is true in so far as the concrete totality regarded as a conceptual totality, as a mental fact, is indeed a product of thinking, of comprehension; but it is by no means a product of the idea which evolves spontaneously and whose thinking proceeds outside and above perception and imagination, but is the result of the assimilation and transformation of perceptions and images into concepts. The totality as a conceptual entity seen by the intellect is a product of the thinking intellect which assimilates the world in the only way open to it, a way which differs from the artistic, religious and practically intelligent assimilation of this world. The concrete subject remains outside the intellect and independent of it -- that is so long as the intellect adopts a purely speculative, purely theoretical attitude. The subject, society, must always be envisaged therefore as the pre-condition of comprehension even when the theoretical method is employed.

But have not these simple categories also an independent historical or natural existence preceding that of the more concrete ones? This depends. Hegel, for example, correctly takes ownership, the simplest legal relation of the subject, as the point of departure of the philosophy of law. No ownership exists, however, before the family or the relations of master and servant are evolved, and these are much more concrete relations. It would, on the other hand, be correct to say that families and entire tribes exist which have as yet only *possessions* and not *property*. The simpler category appears thus as a relation of simple family or tribal communities to property. In societies which have reached a higher stage the category appears as a comparatively simple relation existing in a more advanced community. The concrete substratum underlying the relation of ownership is however always presupposed. One can conceive an individual savage who has possessions; possession in this case, however, is not a legal relation. It is incorrect that in the course of historical development possession gave rise to the family. On the contrary, possession always presupposes this "more concrete legal category". One may, nevertheless, conclude that the simple categories represent relations or conditions which may reflect the immature concrete situation without as yet positing the more complex relation or condition which is conceptually expressed in the more concrete category; on the other hand, the same category may be retained as a subordinate relation in more developed concrete circumstances. Money may exist and has existed in historical time before capital, banks, wage-labour, etc. came

into being. In this respect it can be said, therefore, that the simpler category expresses relations predominating in an immature entity or subordinate relations in a more advanced entity; relations which already existed historically before the entity had developed the aspects expressed in a more concrete category. The procedure of abstract reasoning which advances from the simplest to more complex concepts to that extent conforms to actual historical development.

It is true, on the other hand, that there are certain highly developed, but nevertheless historically immature, social formations which employ some of the most advanced economic forms, e.g., cooperation, developed division of labour, etc., without having developed any money at all, for instance Peru. In Slavonic communities too, money -- and its pre-condition, exchange -- is of little or no importance within the individual community, but is used on the borders, where commerce with other communities takes place; and it is altogether wrong to assume that exchange within the community is an original constituent element. On the contrary, in the beginning exchange tends to arise in the intercourse of different communities with one another, rather than among members of the same community. Moreover, although money begins to play a considerable role very early and in diverse ways, it is known to have been a dominant factor in antiquity only among nations developed in a particular direction, i.e., merchant nations. Even among the Greeks and Romans, the most advanced nations of antiquity, money reaches its full development, which is presupposed in modern bourgeois society, only in the period of their disintegration. Thus the full potential of this quite simple category does not emerge historically in the most advanced phases of society, and it certainly does not penetrate into all economic relations. For example, taxes in kind and deliveries in kind remained the basis of the Roman empire even at the height of its development; indeed a completely evolved monetary system existed in Rome only in the army, and it never permeated the whole complex of labour. Although the simpler category, therefore, may have existed historically before the more concrete category, its complete intensive and extensive development can nevertheless occur in a complex social formation, whereas the more concrete category may have been fully evolved in a more primitive social formation.

Labour seems to be a very simple category. The notion of labour in this universal form, as labour in general, is also extremely old. Nevertheless "labour" in this simplicity is economically considered just as modern a category as the relations which give rise to this simple abstraction. The Monetary System, for example, still regards wealth quite objectively as a thing existing independently in the shape of money. Compared with this standpoint, it was a substantial advance when the Manufacturing or Mercantile System transferred the source of wealth from the object to the subjective activity -- mercantile or industrial labour -- but it still considered that only this circumscribed activity itself produced money. In contrast to this system, the Physiocrats assume that a specific form of labour -- agriculture --

creates wealth, and they see the object no longer in the guise of money, but as a product in general, as the universal result of labour. In accordance with the still circumscribed activity, the product remains a naturally developed product, an agricultural product, a product of the land *par excellence*.

It was an immense advance when Adam Smith rejected all restrictions with regard to the activity that produces wealth -- for him it was labour as such, neither manufacturing, nor commercial, nor agricultural labour, but all types of labour. The abstract universality which creates wealth implies also the universality of the objects defined as wealth: they are products as such, or once more labour as such, but in this case past, materialised labour. How difficult and immense a transition this was is demonstrated by the fact that Adam Smith himself occasionally relapses once more into the Physiocratic system. It might seem that in this way merely an abstract expression was found for the simplest and most ancient relation in which human beings act as producers -- irrespective of the type of society they live in. This is true in one respect, but not in another.

The fact that the specific kind of labour is irrelevant presupposes a highly developed complex of actually existing kinds of labour, none of which is any more the all-important one. The most general abstractions arise on the whole only when concrete development is most profuse, so that a specific quality is seen to be common to many phenomena, or common to all. Then it is no longer perceived solely in a particular form. This abstraction of labour is, on the other hand, by no means simply the conceptual resultant of a variety of concrete types of labour. The fact that the particular kind of labour employed is immaterial is appropriate to a form of society in which individuals easily pass from one type of labour to another, the particular type of labour being accidental to them and therefore irrelevant. Labour, not only as a category but in reality, has become a means to create wealth in general, and has ceased to be tied as an attribute to a particular individual. This state of affairs is most pronounced in the United States, the most modern form of bourgeois society. The abstract category "labour", "labour as such", labour *sans phrase*, the point of departure of modern economics, thus becomes a practical fact only there. The simplest abstraction, which plays a decisive role in modern political economy, an abstraction which expresses an ancient relation existing in all social formations, nevertheless appears to be actually true in this abstract form only as a category of the most modern society. It might be said that phenomena which are historical products in the United States -- e.g., the irrelevance of the particular type of labour -- appear to be among the Russians, for instance, naturally developed predispositions. But in the first place, there is an enormous difference between barbarians having a predisposition which makes it possible to employ them in various tasks, and civilised people who apply themselves to various tasks. As regards the Russians, moreover, their indifference to the particular kind of labour

performed is in practice matched by their traditional habit of clinging fast to a very definite kind of labour from which they are extricated only by external influences.

The example of labour strikingly demonstrates how even the most abstract categories, despite their validity in all epochs -- precisely because they are abstractions -- are equally a product of historical conditions even in the specific form of abstractions, and they retain their full validity only for and within the framework of these conditions.

Bourgeois society is the most advanced and complex historical organisation of production. The categories which express its relations, and an understanding of its structure, therefore, provide an insight into the structure and the relations of production of all formerly existing social formations the ruins and component elements of which were used in the creation of bourgeois society. Some of these unassimilated remains are still carried on within bourgeois society, others, however, which previously existed, only in rudimentary form, have been further developed and have attained their full significance, etc. The anatomy of man is a key to the anatomy of the ape. On the other hand, rudiments of more advanced forms in the lower species of animals can only be understood when the more advanced forms are already known. Bourgeois economy thus provides a key to the economy of antiquity, etc. But it is quite impossible (to gain this insight) in the manner of those economists who obliterate all historical differences and who see in all social phenomena only bourgeois phenomena. If one knows rent, it is possible to understand tribute, tithe, etc., but they do not have to be treated as identical.

Since bourgeois society is, moreover, only a contradictory form of development, it contains relations of earlier societies often merely in very stunted form or even in the form of travesties, e.g., communal ownership. Thus, although it is true that the categories of bourgeois economy are valid for all other social formations, this has to be taken *cum grano salis*, for they may contain them in an advanced, stunted, caricatured, etc., form, that is always with substantial differences. What is called historical evolution depends in general on the fact that the latest form regards earlier ones as stages in the development of itself and conceives them always in a one-sided manner, since only rarely and under quite special conditions is a society able to adopt a critical attitude towards itself; in this context we are not of course discussing historical periods which themselves believe that they are periods of decline. The Christian religion was able to contribute to an objective understanding of earlier mythologies only when its self-criticism was to a certain extent prepared, as it were potentially. Similarly, only when the self-criticism of bourgeois society had begun, was bourgeois political economy able to understand the feudal, ancient and oriental economies. In so far as bourgeois political economy did not simply identify itself with the past in a mythological manner, its criticism of earlier economies-especially of the feudal system against which it still had to wage a direct

struggle-resembled the criticism that Christianity directed against heathenism, or which Protestantism directed against Catholicism.

Just as in general when examining any historical or social science, so also in the case of the development of economic categories is it always necessary to remember that the subject, in this context contemporary bourgeois society, is presupposed both in reality and in the mind, and that therefore categories express forms of existence and conditions of existence -- and sometimes merely separate aspects -- of this particular society, the subject; thus the category, *even from the scientific standpoint*, by no means begins at the moment when it is discussed *as such*. This has to be remembered because it provides important criteria for the arrangement of the material. For example, nothing seems more natural than to begin with rent, i.e., with landed property, since it is associated with the earth, the source of all production and all life, and with agriculture, the first form of production in all societies that have attained a measure of stability. But nothing would be more erroneous. There is in every social formation a particular branch of production which determines the position and importance of all the others, and the relations obtaining in this branch accordingly determine the relations of all other branches as well. It is as though light of a particular hue were cast upon everything, tingeing all other colours and modifying their specific features; or as if a special ether determined the specific gravity of everything found in it. Let us take as an example pastoral tribes. (Tribes living exclusively on hunting or fishing are beyond the boundary line from which real development begins.) A certain type of agricultural activity occurs among them and this determines land ownership. It is communal ownership and retains this form in a larger or smaller measure, according to the degree to which these people maintain their traditions, e.g., communal ownership among the Slavs. Among settled agricultural people-settled already to a large extent-where agriculture predominates as in the societies of antiquity and the feudal period, even manufacture, its structure and the forms of property corresponding thereto, have, in some measure, specifically agrarian features. Manufacture is either completely dependent on agriculture, as in the earlier Roman period, or as in the Middle Ages, it copies in the town and in its conditions the organisation of the countryside. In the Middle Ages even capital -- unless it was solely money capital -- consisted of the traditional tools, etc., and retained a specifically agrarian character. The reverse takes place in bourgeois society. Agriculture to an increasing extent becomes just a branch of industry and is completely dominated by capital. The same applies to rent. In all forms in which landed property is the decisive factor, natural relations still predominate; in the forms in which the decisive factor is capital, social, historically evolved elements predominate. Rent cannot be understood without capital, but capital can be understood without rent. Capital is the economic power that dominates everything in bourgeois society. It must form both the point of departure and the conclusion

and it has to be expounded before landed property. After analysing capital and landed property separately, their interconnection must be examined.

It would be inexpedient and wrong therefore to present the economic categories successively in the order in which they have played the dominant role in history. On the contrary, their order of succession is determined by their mutual relation in modern bourgeois society and this is quite the reverse of what appears to be natural to them or in accordance with the sequence of historical development. The point at issue is not the role that various economic relations have played in the succession of various social formations appearing in the course of history; even less is it their sequence "as concepts" (*Proudhon*) (a nebulous notion of the historical process), but their position within modern bourgeois society.

It is precisely the predominance of agricultural peoples in the ancient world which caused the merchant nations -- Phoenicians, Carthaginians -- to develop in such purity (abstract precision). For capital in the shape of merchant or money capital appears in that abstract form where capital has not yet become the dominant factor in society. Lombards and Jews occupied the same position with regard to mediaeval agrarian societies.

Another example of the various roles which the same categories have played at different stages of society are joint-stock companies, one of the most recent features of bourgeois society; but they arise also in its early period in the form of large privileged commercial companies with rights of monopoly.

The concept of national wealth finds its way into the works of the economists of the seventeenth century as the notion that wealth is created for the State, whose power, on the other hand, is proportional to this wealth -- a notion which to some extent still survives even among eighteenth-century economists. This is still an unintentionally hypocritical manner in which wealth and the production of wealth are proclaimed to be the goal of the modern State, which is regarded merely as a means for producing wealth.

The disposition of material has evidently to be made in such a way that (section) one comprises general abstract definitions, which therefore appertain in some measure to all social formations, but in the sense set forth earlier. Two, the categories which constitute the internal structure of bourgeois society and on which the principal classes are based. Capital, wage-labour, landed property and their relations to one another. Town and country. The three large social classes; exchange between them. Circulation. The (private) credit system. Three, the State as the epitome of bourgeois society. Analysis of its relations to itself. The 44 unproductive" classes. Taxes. National debt. Public credit. Population. Colonies. Emigration. Four, international conditions of production. International division of

labour. International exchange. Export and import. Rate of exchange. Five, world market and crises.

4. PRODUCTION

Means of Production and Conditions of Production.

Conditions of Production and Communication.

Political Forms and Forms of Cognition in Relation to the Conditions of Production and Communication.

Legal Relations. Family Relations

Notes regarding points which have to be mentioned in this context and should not be forgotten.

1. *War* develops [certain features] earlier than peace; the way in which as a result of war, and in the armies, etc., certain economic conditions, e.g., wage-labour, machinery, etc., were evolved earlier than within civil society. The relations between productive power and conditions of communication are likewise particularly obvious in the army.

2. *The relation of the hitherto existing idealistic historiography to realistic historiography. In particular what is known as history of civilisation*, the old history of religion and states. (The various kinds of historiography hitherto existing could also be discussed in this context; the so-called objective, subjective (moral and others), philosophical [historiography].)

3. *Secondary and tertiary phenomena*, in general *derived and transmitted*, i.e., non-primary, conditions of production. The influence of international relations.

4. *Reproaches about the materialism of this conception; relation to naturalistic materialism.*

5. *Dialectics of the concepts productive power (means of production) and relations of production*, the limits of *this dialectical* connection, which does not abolish the real differences, have to be defined.

6. *The unequal development of material production and, e.g., that of art*. The concept of progress is on the whole not to be understood in the usual abstract form. Modern art, etc. This disproportion is not as important and difficult to grasp as within concrete social relations, e.g., in education. Relations of the United States to Europe. However, the really difficult point to be discussed here is how the relations of production as legal relations take part in this uneven development. For example the relation of Roman civil law (this applies in smaller measure to criminal and constitutional law) to modern production.

7. *This conception appears to be an inevitable development.* But vindication of chance. How? (Freedom, etc., as well.) (Influence of the means of communication. World history did not always exist; history as world history is a result.)

8. *The starting point is of course the naturally determined factors;* both subjective and objective. Tribes, races, etc.

As regards art, it is well known that some of its peaks by no means correspond to the general development of society; nor, do they therefore to the material substructure, the skeleton as it were of its organisation. For example the Greeks compared with modern [nations], or else Shakespeare. It is even acknowledged that certain branches of art, e.g., the *epos*, can no longer be produced in their epoch-making classic form after artistic production as such has begun; in other words that certain important creations within the compass of art are only possible at an early stage in the development of art. If this is the case with regard to different branches of art within the sphere of art itself, it is not so remarkable that this should also be the case with regard to the entire sphere of art and its relation to the general development of society. The difficulty lies only in the general formulation of these contradictions. As soon as they are reduced to specific questions they are already explained.

Let us take, for example, the relation of Greek art, and that of Shakespeare, to the present time. We know that Greek mythology is not only the arsenal of Greek art, but also its basis. Is the conception of nature and of social relations which underlies Greek imagination and therefore Greek (art) possible when there are self-acting mules, railways, locomotives and electric telegraphs? What is a Vulcan compared with Roberts and Co., Jupiter compared with the lightning conductor, and Hermes compared with the *Credit Mobilier*? All mythology subdues, controls and fashions the forces of nature in the imagination and through imagination; it disappears therefore when real control over these forces is established. What becomes of Fama side by side with Printing House Square? Greek art presupposes Greek mythology, in other words that natural and social phenomena are already assimilated in an unintentionally artistic manner by the imagination of the people. This is the material of Greek art, not just any mythology, i.e., not every unconsciously artistic assimilation of nature (here the term comprises all physical phenomena, including society); Egyptian mythology could never become the basis of or give rise to Greek art. But at any rate (it presupposes) a mythology; on no account however a social development which precludes a mythological attitude towards nature, i.e., any attitude to nature which might give rise to myth; a society therefore demanding from the artist an imagination independent of mythology.

Regarded from another aspect: is Achilles possible when powder and shot have been invented? And is the Iliad possible at all when the printing press and even printing machines exist? Is it not inevitable that with the emergence of the press

bar the singing and the telling and the muse cease, that is the conditions necessary for epic poetry disappear?

The difficulty we are confronted with is not, however, that of understanding how Greek art and epic poetry are associated with certain forms of social development. The difficulty is that they still give us aesthetic pleasure and are in certain respects regarded as a standard and unattainable ideal.

An adult cannot become a child again, or he becomes childish. But does the naivete of the child not give him pleasure, and does not he himself endeavour to reproduce the child's veracity on a higher level? Does not the child in every epoch represent the character of the period in its natural veracity? Why should not the historical childhood of humanity, where it attained its most beautiful form, exert an eternal charm because it is a stage that will never recur? There are rude children and precocious children. Many of the ancient peoples belong to this category. The Greeks were normal children. The charm their art has for us does not conflict with the immature stage of the society in which it originated. On the contrary its charm is a consequence of this and is inseparably linked with the fact that the immature social conditions which gave rise, and which alone could give rise, to this art cannot recur.

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